



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-4520/P1

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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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1 AN ACT *to amend* 13.172 (1), 13.48 (13) (a), 13.62 (2), 13.95 (intro.), 16.002 (2),
2 16.004 (4), 16.004 (5), 16.045 (1) (a), 16.41 (4), 16.417 (1) (a), 16.52 (7), 16.528
3 (1) (a), 16.53 (2), 16.54 (9) (a) 1., 16.70 (2), 16.765 (1), 16.765 (2), 16.765 (4),
4 16.765 (5), 16.765 (6), 16.765 (7) (intro.), 16.765 (7) (d), 16.765 (8), 16.85 (2),
5 16.865 (8), 71.26 (1) (be), 77.54 (9a) (a), 101.055 (2) (a), 101.177 (1) (d) and
6 230.03 (3); and *to create* 70.11 (41p) and chapter 238 of the statutes; **relating**
7 **to:** creating a Healthy Wisconsin Authority, requiring a study on a catastrophic
8 reinsurance program for health care costs.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

9 SECTION 1. 13.172 (1) of the statutes, as affected by 2005 Wisconsin Act 74, is
10 amended to read:

1 13.172 (1) In this section, “agency” means an office, department, agency,
2 institution of higher education, association, society, or other body in state
3 government created or authorized to be created by the constitution or any law, that
4 is entitled to expend moneys appropriated by law, including the legislature and the
5 courts, and any authority created in subch. III of ch. 149 or in ch. 231, 233, ~~or~~ 234,
6 or 238.

7 **SECTION 2.** 13.48 (13) (a) of the statutes is amended to read:

8 13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or
9 facility that is constructed for the benefit of or use of the state, any state agency,
10 board, commission or department, the University of Wisconsin Hospitals and Clinics
11 Authority, the Fox River Navigational System Authority, the Health Wisconsin
12 Authority, or any local professional baseball park district created under subch. III
13 of ch. 229 if the construction is undertaken by the department of administration on
14 behalf of the district, shall be in compliance with all applicable state laws, rules,
15 codes and regulations but the construction is not subject to the ordinances or
16 regulations of the municipality in which the construction takes place except zoning,
17 including without limitation because of enumeration ordinances or regulations
18 relating to materials used, permits, supervision of construction or installation,
19 payment of permit fees, or other restrictions.

20 **SECTION 3.** 13.62 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is
21 amended to read:

22 13.62 (2) “Agency” means any board, commission, department, office, society,
23 institution of higher education, council, or committee in the state government, or any
24 authority created in subch. III of ch. 149 or in ch. 231, 232, 233, 234, ~~or~~ 237, or 238,
25 except that the term does not include a council or committee of the legislature.

1 **SECTION 4.** 13.95 (intro.) of the statutes, as affected by 2005 Wisconsin Act 74,
2 is amended to read:

3 **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be
4 known as the “Legislative Fiscal Bureau” headed by a director. The fiscal bureau
5 shall be strictly nonpartisan and shall at all times observe the confidential nature
6 of the research requests received by it; however, with the prior approval of the
7 requester in each instance, the bureau may duplicate the results of its research for
8 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director’s
9 designated employees shall at all times, with or without notice, have access to all
10 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the
11 Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority,
12 and the Fox River Navigational System Authority, and to any books, records, or other
13 documents maintained by such agencies or authorities and relating to their
14 expenditures, revenues, operations, and structure.

15 **SECTION 5.** 16.002 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is
16 amended to read:

17 16.002 (2) “Departments” means constitutional offices, departments, and
18 independent agencies and includes all societies, associations, and other agencies of
19 state government for which appropriations are made by law, but not including
20 authorities created in subch. III of ch. 149 and in chs. 231, 232, 233, 234, 235, and
21 237, and 238.

22 **SECTION 6.** 16.004 (4) of the statutes, as affected by 2005 Wisconsin Act 74, is
23 amended to read:

24 16.004 (4) **FREEDOM OF ACCESS.** The secretary and such employees of the
25 department as the secretary designates may enter into the offices of state agencies

1 and authorities created under subch. III of ch. 149 and under chs. 231, 233, 234, and
2 237, and 238, and may examine their books and accounts and any other matter that
3 in the secretary's judgment should be examined and may interrogate the agency's
4 employees publicly or privately relative thereto.

5 **SECTION 7.** 16.004 (5) of the statutes, as affected by 2005 Wisconsin Act 74, is
6 amended to read:

7 16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and
8 authorities created under subch. III of ch. 149 and under chs. 231, 233, 234, and 237,
9 and 238, and their officers and employees, shall cooperate with the secretary and
10 shall comply with every request of the secretary relating to his or her functions.

11 **SECTION 8.** 16.045 (1) (a) of the statutes, as affected by 2005 Wisconsin Act 74,
12 is amended to read:

13 16.045 (1) (a) "Agency" means an office, department, independent agency,
14 institution of higher education, association, society, or other body in state
15 government created or authorized to be created by the constitution or any law, that
16 is entitled to expend moneys appropriated by law, including the legislature and the
17 courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,
18 232, 233, 234, 235, ~~or 237~~, or 238.

19 **SECTION 9.** 16.41 (4) of the statutes, as affected by 2005 Wisconsin Act 74, is
20 amended to read:

21 16.41 (4) In this section, "authority" means a body created under subch. III of
22 ch. 149 or under ch. 231, 233, 234, ~~or 237~~, or 238.

23 **SECTION 10.** 16.417 (1) (a) of the statutes, as affected by 2005 Wisconsin Act 74,
24 is amended to read:

1 16.417 (1) (a) “Agency” means an office, department, independent agency,
2 institution of higher education, association, society, or other body in state
3 government created or authorized to be created by the constitution or any law, that
4 is entitled to expend moneys appropriated by law, including the legislature and the
5 courts, but not including an authority or the body created under subch. III of ch. 149
6 or under ch. 238.

7 **SECTION 11.** 16.52 (7) of the statutes, as affected by 2005 Wisconsin Act 74, is
8 amended to read:

9 16.52 (7) PETTY CASH ACCOUNT. With the approval of the secretary, each agency
10 that is authorized to maintain a contingent fund under s. 20.920 may establish a
11 petty cash account from its contingent fund. The procedure for operation and
12 maintenance of petty cash accounts and the character of expenditures therefrom
13 shall be prescribed by the secretary. In this subsection, “agency” means an office,
14 department, independent agency, institution of higher education, association,
15 society, or other body in state government created or authorized to be created by the
16 constitution or any law, that is entitled to expend moneys appropriated by law,
17 including the legislature and the courts, but not including an authority created in
18 subch. III of ch. 149 or in ch. 231, 233, 234, ~~or~~ 237, or 238.

19 **SECTION 12.** 16.528 (1) (a) of the statutes, as affected by 2005 Wisconsin Act 74,
20 is amended to read:

21 16.528 (1) (a) “Agency” means an office, department, independent agency,
22 institution of higher education, association, society, or other body in state
23 government created or authorized to be created by the constitution or any law, that
24 is entitled to expend moneys appropriated by law, including the legislature and the

1 courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,
2 233, 234, ~~or 237~~, or 238.

3 **SECTION 13.** 16.53 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is
4 amended to read:

5 16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed
6 invoice, the agency shall notify the sender of the invoice within 10 working days after
7 it receives the invoice of the reason it is improperly completed. In this subsection,
8 “agency” means an office, department, independent agency, institution of higher
9 education, association, society, or other body in state government created or
10 authorized to be created by the constitution or any law, that is entitled to expend
11 moneys appropriated by law, including the legislature and the courts, but not
12 including an authority created in subch. III of ch. 149 or in ch. 231, 233, 234, ~~or 237~~,
13 or 238.

14 **SECTION 14.** 16.54 (9) (a) 1. of the statutes, as affected by 2005 Wisconsin Act
15 74, is amended to read:

16 16.54 (9) (a) 1. “Agency” means an office, department, independent agency,
17 institution of higher education, association, society or other body in state
18 government created or authorized to be created by the constitution or any law, which
19 is entitled to expend moneys appropriated by law, including the legislature and the
20 courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,
21 233, 234, ~~or 237~~, or 238.

22 **SECTION 15.** 16.70 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is
23 amended to read:

24 16.70 (2) “Authority” means a body created under subch. III of ch. 149 or under
25 ch. 231, 232, 233, 234, 235, ~~or 237~~, or 238.

1 **SECTION 16.** 16.765 (1) of the statutes, as affected by 2005 Wisconsin Act 74,
2 is amended to read:

3 **16.765 (1)** Contracting agencies, the University of Wisconsin Hospitals and
4 Clinics Authority, the Fox River Navigational System Authority, the Health
5 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the
6 Bradley Center Sports and Entertainment Corporation shall include in all contracts
7 executed by them a provision obligating the contractor not to discriminate against
8 any employee or applicant for employment because of age, race, religion, color,
9 handicap, sex, physical condition, developmental disability as defined in s. 51.01 (5),
10 sexual orientation as defined in s. 111.32 (13m), or national origin and, except with
11 respect to sexual orientation, obligating the contractor to take affirmative action to
12 ensure equal employment opportunities.

13 **SECTION 17.** 16.765 (2) of the statutes, as affected by 2005 Wisconsin Act 74,
14 is amended to read:

15 **16.765 (2)** Contracting agencies, the University of Wisconsin Hospitals and
16 Clinics Authority, the Fox River Navigational System Authority, the Health
17 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the
18 Bradley Center Sports and Entertainment Corporation shall include the following
19 provision in every contract executed by them: “In connection with the performance
20 of work under this contract, the contractor agrees not to discriminate against any
21 employee or applicant for employment because of age, race, religion, color, handicap,
22 sex, physical condition, developmental disability as defined in s. 51.01 (5), sexual
23 orientation or national origin. This provision shall include, but not be limited to, the
24 following: employment, upgrading, demotion or transfer; recruitment or recruitment
25 advertising; layoff or termination; rates of pay or other forms of compensation; and

1 selection for training, including apprenticeship. Except with respect to sexual
2 orientation, the contractor further agrees to take affirmative action to ensure equal
3 employment opportunities. The contractor agrees to post in conspicuous places,
4 available for employees and applicants for employment, notices to be provided by the
5 contracting officer setting forth the provisions of the nondiscrimination clause”.

6 **SECTION 18.** 16.765 (4) of the statutes, as affected by 2005 Wisconsin Act 74,
7 is amended to read:

8 16.765 (4) Contracting agencies, the University of Wisconsin Hospitals and
9 Clinics Authority, the Fox River Navigational System Authority, the Health
10 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the
11 Bradley Center Sports and Entertainment Corporation shall take appropriate action
12 to revise the standard government contract forms under this section.

13 **SECTION 19.** 16.765 (5) of the statutes, as affected by 2005 Wisconsin Act 74,
14 is amended to read:

15 16.765 (5) The head of each contracting agency and the boards of directors of
16 the University of Wisconsin Hospitals and Clinics Authority, the Fox River
17 Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority,
18 the Healthy Wisconsin Authority, and the Bradley Center Sports and Entertainment
19 Corporation shall be primarily responsible for obtaining compliance by any
20 contractor with the nondiscrimination and affirmative action provisions prescribed
21 by this section, according to procedures recommended by the department. The
22 department shall make recommendations to the contracting agencies and the boards
23 of directors of the University of Wisconsin Hospitals and Clinics Authority, the Fox
24 River Navigational System Authority, the Health Insurance Risk-Sharing Plan
25 Authority, the Healthy Wisconsin Authority, and the Bradley Center Sports and

1 Entertainment Corporation for improving and making more effective the
2 nondiscrimination and affirmative action provisions of contracts. The department
3 shall promulgate such rules as may be necessary for the performance of its functions
4 under this section.

5 **SECTION 20.** 16.765 (6) of the statutes, as affected by 2005 Wisconsin Act 74,
6 is amended to read:

7 16.765 (6) The department may receive complaints of alleged violations of the
8 nondiscrimination provisions of such contracts. The department shall investigate
9 and determine whether a violation of this section has occurred. The department may
10 delegate this authority to the contracting agency, the University of Wisconsin
11 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
12 Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority,
13 or the Bradley Center Sports and Entertainment Corporation for processing in
14 accordance with the department's procedures.

15 **SECTION 21.** 16.765 (7) (intro.) of the statutes, as affected by 2005 Wisconsin
16 Act 74, is amended to read:

17 16.765 (7) (intro.) When a violation of this section has been determined by the
18 department, the contracting agency, the University of Wisconsin Hospitals and
19 Clinics Authority, the Fox River Navigational System Authority, the Health
20 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, or the
21 Bradley Center Sports and Entertainment Corporation, the contracting agency, the
22 University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational
23 System Authority, the Health Insurance Risk-Sharing Plan Authority, the Healthy
24 Wisconsin Authority, or the Bradley Center Sports and Entertainment Corporation
25 shall:

1 **SECTION 22.** 16.765 (7) (d) of the statutes, as affected by 2005 Wisconsin Act 74,
2 is amended to read:

3 16.765 (7) (d) Direct the violating party to take immediate steps to prevent
4 further violations of this section and to report its corrective action to the contracting
5 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River
6 Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority,
7 the Healthy Wisconsin Authority, or the Bradley Center Sports and Entertainment
8 Corporation.

9 **SECTION 23.** 16.765 (8) of the statutes, as affected by 2005 Wisconsin Act 74,
10 is amended to read:

11 16.765 (8) If further violations of this section are committed during the term
12 of the contract, the contracting agency, the Fox River Navigational System Authority,
13 the Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin
14 Authority, or the Bradley Center Sports and Entertainment Corporation may permit
15 the violating party to complete the contract, after complying with this section, but
16 thereafter the contracting agency, the Fox River Navigational System Authority, the
17 Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority,
18 or the Bradley Center Sports and Entertainment Corporation shall request the
19 department to place the name of the party on the ineligible list for state contracts,
20 or the contracting agency, the Fox River Navigational System Authority, the Health
21 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, or the
22 Bradley Center Sports and Entertainment Corporation may terminate the contract
23 without liability for the uncompleted portion or any materials or services purchased
24 or paid for by the contracting party for use in completing the contract.

1 **SECTION 24.** 16.85 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is
2 amended to read:

3 16.85 (2) To furnish engineering, architectural, project management, and other
4 building construction services whenever requisitions therefor are presented to the
5 department by any agency. The department may deposit moneys received from the
6 provision of these services in the account under s. 20.505 (1) (kc) or in the general
7 fund as general purpose revenue — earned. In this subsection, “agency” means an
8 office, department, independent agency, institution of higher education, association,
9 society, or other body in state government created or authorized to be created by the
10 constitution or any law, which is entitled to expend moneys appropriated by law,
11 including the legislature and the courts, but not including an authority created in
12 subch. III of ch. 149 or in ch. 231, 233, 234, ~~or 237,~~ or 238.

13 **SECTION 25.** 16.865 (8) of the statutes, as affected by 2005 Wisconsin Act 74,
14 is amended to read:

15 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
16 proportionate share of the estimated costs attributable to programs administered by
17 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
18 may charge premiums to agencies to finance costs under this subsection and pay the
19 costs from the appropriation on an actual basis. The department shall deposit all
20 collections under this subsection in the appropriation account under s. 20.505 (2) (k).
21 Costs assessed under this subsection may include judgments, investigative and
22 adjustment fees, data processing and staff support costs, program administration
23 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
24 subsection, “agency” means an office, department, independent agency, institution
25 of higher education, association, society, or other body in state government created

1 or authorized to be created by the constitution or any law, that is entitled to expend
2 moneys appropriated by law, including the legislature and the courts, but not
3 including an authority created in subch. III of ch. 149 or in ch. 231, 232, 233, 234, 235,
4 ~~or 237, or 238.~~

5 **SECTION 26.** 70.11 (41p) of the statutes is created to read:

6 70.11 (41p) HEALTHY WISCONSIN AUTHORITY. All property owned by the Healthy
7 Wisconsin Authority, provided that use of the property is primarily related to the
8 purposes of the authority.

9 **SECTION 27.** 71.26 (1) (be) of the statutes, as affected by 2005 Wisconsin Act 74,
10 is amended to read:

11 71.26 (1) (be) *Certain authorities.* Income of the University of Wisconsin
12 Hospitals and Clinics Authority, of the Health Insurance Risk-Sharing Plan
13 Authority, of the Healthy Wisconsin Authority, and of the Fox River Navigational
14 System Authority.

15 **SECTION 28.** 77.54 (9a) (a) of the statutes, as affected by 2005 Wisconsin Act 74,
16 is amended to read:

17 77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin
18 Hospitals and Clinics Authority, the Health Insurance Risk-Sharing Plan Authority,
19 the Healthy Wisconsin Authority, and the Fox River Navigational System Authority.

20 **SECTION 29.** 101.055 (2) (a) of the statutes, as affected by 2005 Wisconsin Act
21 74, is amended to read:

22 101.055 (2) (a) "Agency" means an office, department, independent agency,
23 authority, institution, association, society, or other body in state government created
24 or authorized to be created by the constitution or any law, and includes the

1 legislature and the courts, but excludes the Health Insurance Risk-Sharing Plan
2 Authority and the Healthy Wisconsin Authority.

***NOTE: This section was not included on your list. Do you want it amended in this manner?

3 **SECTION 30.** 101.177 (1) (d) of the statutes, as affected by 2005 Wisconsin Act
4 74, is amended to read:

5 101.177 (1) (d) "State agency" means any office, department, agency,
6 institution of higher education, association, society, or other body in state
7 government created or authorized to be created by the constitution or any law, that
8 is entitled to expend moneys appropriated by law, including the legislature and the
9 courts, the Wisconsin Housing and Economic Development Authority, the Bradley
10 Center Sports and Entertainment Corporation, the University of Wisconsin
11 Hospitals and Clinics Authority, ~~and~~ the Wisconsin Health and Educational
12 Facilities Authority, but excluding the Health Insurance Risk-Sharing Plan
13 Authority and the Healthy Wisconsin Authority.

14 **SECTION 31.** 230.03 (3) of the statutes, as affected by 2005 Wisconsin Act 74,
15 is amended to read:

16 230.03 (3) "Agency" means any board, commission, committee, council, or
17 department in state government or a unit thereof created by the constitution or
18 statutes if such board, commission, committee, council, department, unit, or the
19 head thereof, is authorized to appoint subordinate staff by the constitution or
20 statute, except a legislative or judicial board, commission, committee, council,
21 department, or unit thereof or an authority created under subch. III of ch. 149 or
22 under ch. 231, 232, 233, 234, 235, ~~or~~ 237, or 238. "Agency" does not mean any local

unit of government or body within one or more local units of government that is created by law or by action of one or more local units of government.

SECTION 32. Chapter 238 of the statutes is created to read:

CHAPTER 238

HEALTHY WISCONSIN AUTHORITY

238.01 Definitions. In this chapter:

(1) "Authority" means the Healthy Wisconsin Authority.

(2) "Board" means the board of directors of the authority.

238.05 Creation and organization of authority. (1) There is created a public body corporate and politic to be known as the "Healthy Wisconsin Authority." The board of directors of the authority shall consist of the commissioner of insurance, or his or her designee, as a nonvoting member, and the following 13 members, who shall serve 4-year terms:

(a) One majority party senator appointed by the senate majority leader.

(b) One minority party senator appointed by the senate minority leader.

(c) One majority party representative to the assembly appointed by the assembly majority leader. → speaker of the

(d) One minority party representative to the assembly appointed by the assembly minority leader.

***NOTE: Are these the "leaders" you wanted to make the appointments?

(e) Nine nominees of the governor, appointed with the advice and consent of the senate, consisting of all of the following:

1. One health care provider.

2. One representative of a Wisconsin health insurance company.

3. One representative of a Wisconsin employer.

1 4. One representative of Wisconsin labor unions.

2 5. Five other members who represent the public interest.

3 (2) Each member of the board shall hold office until a successor is appointed
4 and qualified unless the member vacates or is removed from his or her office. A
5 member who serves as a result of holding another office or position vacates his or her
6 office as a member when he or she vacates the other office or position. A member who
7 ceases to qualify for office vacates his or her office. A vacancy on the board shall be
8 filled in the same manner as the original appointment to the board for the remainder
9 of the unexpired term, if any.

10 (3) Annually, the governor shall appoint one member as chairperson, and the
11 members of the board may elect other officers as they consider appropriate.

12 (4) A majority of the members of the board constitutes a quorum for the purpose
13 of conducting its business and exercising its powers and for all other purposes,
14 notwithstanding the existence of any vacancies. Action may be taken by the board
15 upon a vote of a majority of the members present. Meetings of the members of the
16 board may be held anywhere within or without the state.

17 (5) A member of the board may not be compensated for his or her services but
18 shall be reimbursed for actual and necessary expenses incurred in the performance
19 of his or her duties, including travel expenses, subject to uniform travel schedule
20 amounts approved under s. 20.916 (8).

21 (6) No cause of action may arise against and no civil liability may be imposed
22 upon a member (or executive director, see NOTE below) of the authority for any act
23 or omission in the performance of his or her powers and duties under this chapter,
24 unless the person asserting liability proves that the act or omission constitutes
25 willful misconduct.

Insert 15-11

***NOTE: Do you want the authority to appoint a chief executive officer or an executive director? All of the other authorities have one or the other.

1 **238.10 Powers of authority.** (1) Except as restricted under sub. (2), the
2 authority shall have all the powers necessary or convenient to carry out the purposes
3 and provisions of this chapter. In addition to all other powers granted by this chapter,
4 the authority may:

5 (a) Adopt, amend, and repeal bylaws and policies and procedures for the
6 regulation of its affairs and the conduct of its business.

7 (b) Have a seal and alter the seal at pleasure.

8 (c) Maintain an office.

9 (d) Sue and be sued.

10 (e) Accept gifts, grants, loans, or other contributions from private or public
11 sources.

12 *get* (f) Execute contracts and other instruments, including contracts for any
13 professional services required for the authority.

14 *h* (g) Employ any officers, agents, and employees that it may require and
15 determine their qualifications and compensation.

16 *i* (h) Procure liability insurance.

17 (2) The authority may not issue bonds.

***NOTE: Do you want to prohibit the authority from issuing bonds?

***NOTE: Do you want the authority to have any other powers?

18 **238.15 Duties of authority.** In addition to all other duties imposed under this
19 chapter, the authority shall do all of the following:

20 (a) Study options for implementing a program to provide reinsurance to groups
21 and individuals in this state for catastrophic claims under group and individual
22 health insurance policies.

Insert 16-11

(b) No later than November 15, 2006, submit to the secretary of administration a report with its recommendations for implementing a reinsurance program described in par. (a).

(c) After receiving approval of one or more recommendations submitted in the report under par. (b), develop and administer a reinsurance program described in par. (a) in accordance with those recommendations approved.

***NOTE: Should this approval be by the legislature in the form of legislation?

***NOTE: Do you want the authority to have any other duties?

SECTION 33. Nonstatutory provisions.

(1) INITIAL TERMS OF BOARD MEMBERS. Notwithstanding the lengths of terms of the members of the board of directors of the Healthy Wisconsin Authority specified in section 238.05 (1) (intro.), ^{of the statutes} as created by this act, the initial members shall be appointed for the following terms:

(a) The 4 members specified under section 238.05 (1) (a) to (d) of the statutes, as created by this act, for terms that expire on July 1, 2008.

(b) Four members specified under section 238.05 (1) (e) of the statutes, as created by this act, for terms that expire on July 1, 2009.

(c) Five members specified under section 238.05 (1) (e) of the statutes, as created by this act, for terms that expire on July 1, 2010.

(END)

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D-note

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LEGISLATIVE REFERENCE BUREAU

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INSERT A

This bill creates the Healthy Wisconsin Authority (HWA). An authority is a public body corporate and politic with a board of directors that is created by state law but that is not a state agency. The board of directors of HWA consists of the commissioner of insurance, or the commissioner's designee, as a nonvoting member and 13 other members who will serve four-year terms, including a majority party senator and a majority party representative to the assembly, appointed by the senate majority leader and the speaker of the assembly, respectively, and a minority party senator and a minority party representative to the assembly, appointed by the senate minority leader and the assembly minority leader, respectively. Nine other members are nominated by the governor and appointed with the advice and consent of the senate and consist of a health care provider and representatives of a health insurance company, an employer, Wisconsin labor unions, and the public interest. The board must appoint an executive director, who may not be a member of the board.

Because HWA is not a state agency, numerous laws that apply to state agencies do not apply to HWA. However, HWA is treated like a state agency in the following respects, among others: 1) it is generally subject to the open records and open meetings laws; 2) it is treated like a state agency for purposes of the law regulating lobbying; 3) it is subject to state purchasing requirements and must use a competitive bid or proposal process whenever contracting for services; 4) it is exempt from income tax, sales and use tax, and property taxes; 5) the Code of Ethics for Public Officials and Employees covers HWA; and 6) it is subject to auditing by the Legislative Audit Bureau.

HWA is unlike a state agency in many other ways, including: 1) it may approve its own budget without going through the state budgetary process; 2) its employees are not state employees, are not included in the state system of personnel management, may not participate in the system for state retirement benefits or health insurance coverage, and are hired outside the state hiring system; and 3) it is not subject to statutory rule-making procedures, including requirements for legislative review of proposed rules. Unlike most authorities under current law, HWA may not issue bonds.

HWA must study options for implementing a program for providing reinsurance to groups and individuals in the state for catastrophic claims under group and individual health insurance policies. By November 15, 2006, HWA must submit a report to the secretary of administration with its recommendations for implementing the reinsurance program. HWA must develop and administer the reinsurance program after legislation is enacted that authorizes or requires HWA to do so.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

(END OF INSERT A)

INSERT 13-2

✓ Insert 13-2

1 **SECTION 1.** 100.45 (1) (dm) of the statutes is amended to read:

2 100.45 (1) (dm) "State agency" means any office, department, agency,
3 institution of higher education, association, society or other body in state
4 government created or authorized to be created by the constitution or any law which
5 is entitled to expend moneys appropriated by law, including the legislature and the
6 courts, the Wisconsin Housing and Economic Development Authority, the Bradley
7 Center Sports and Entertainment Corporation, the University of Wisconsin
8 Hospitals and Clinics Authority, the Wisconsin Health and Educational Facilities
9 Authority, ~~and the Fox River Navigational System Authority, and the Healthy~~
10 Wisconsin Authority. ✓

History: 1989 a. 284; 1991 a. 97; 1993 a. 243; 1997 a. 27, 165; 1999 a. 31; 2001 a. 16.

(END OF INSERT 13-2)

INSERT 15-11

11 (4) The board shall appoint an executive director who shall not be a member
12 of the board and who shall serve at the pleasure of the board. ✓ The authority may
13 delegate by resolution to one or more of its members or its executive director any
14 powers and duties that it considers proper. ✓ The executive director shall receive such
15 compensation as may be determined by the board. ✓ The executive director or other
16 person designated by resolution of the board shall keep a record of the proceedings
17 of the authority and shall be custodian of all books, documents, and papers filed with
18 the authority, the minute book or journal of the authority, and its official seal. ✓ The
19 executive director or other person may cause copies to be made of all minutes and
20 other records and documents of the authority and may give certificates under the

Ins 15-11 contd

1 official seal of the authority to the effect that such copies are true copies, and all
2 persons dealing with the authority may rely upon such certificates. ✓

(END OF INSERT 15-11)

INSERT 16-11

3 (f) Establish the authority's annual budget and monitor the fiscal management
4 of the authority. ✓

(END OF INSERT 16-11)

INSERT 17-6

5 (c) Develop and administer a reinsurance program in accordance with any
6 legislation enacted that requires or authorizes the authority to do so. ✓

7 **SECTION 2.** 285.59 (1) (b) of the statutes is amended to read:

8 285.59 (1) (b) "State agency" means any office, department, agency, institution
9 of higher education, association, society, or other body in state government created
10 or authorized to be created by the constitution or any law which that is entitled to
11 expend moneys appropriated by law, including the legislature and the courts, the
12 Wisconsin Housing and Economic Development Authority, the Bradley Center
13 Sports and Entertainment Corporation, the University of Wisconsin Hospitals and
14 Clinics Authority, the Fox River Navigational System Authority, and the Wisconsin
15 Health and Educational Facilities Authority, and the Healthy Wisconsin Authority. ✓

History: 1989 a. 284; 1991 a. 97; 1993 a. 243; 1995 a. 227 s. 509; Stats. 1995 s. 285.59; 1997 a. 27; 2001 a. 16.

(END OF INSERT 17-6)

INSERT 17-17

16 ²
(0) PROVISIONAL APPOINTMENTS OF BOARD MEMBERS. Notwithstanding the
17 requirement for senate confirmation of the appointment of the members of the board

Ins 17-17 contd

1 of directors of the Healthy Wisconsin Authority under section 238.05 (1) (e) of the
2 statutes, as created by this act, the initial members may be provisionally appointed
3 by the governor, subject to confirmation by the senate. ✓ Any such appointment shall
4 be in full force until acted upon by the senate, and when confirmed by the senate shall
5 continue for the remainder of the term, or until a successor is chosen and qualifies. ✓
6 A provisional appointee may exercise all of the powers and duties of the office to
7 which such person is appointed during the time in which the appointee qualifies. ✓
8 Any appointment made under this subsection that is withdrawn or rejected by the
9 senate shall lapse. When a provisional appointment lapses, a vacancy occurs. ✓
10 Whenever a new legislature is organized, any appointments then pending before the
11 senate shall be referred by the president to the appropriate standing committee of
12 the newly organized senate. ✓

(END OF INSERT 17-17)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4520/P2dn

PJK:lmk:jf

(date)

↑
stays

Besides making technical changes and adding an analysis, this version does the following: ✓

Changes the treatment of the authority (from the treatment in the first version) under ss. 100.45 (1)✓(dm), 101.055 (2)✓(a), 101.177 (1)✓(d), and 285.59 (1)✓(b).

Changes the majority leader of the assembly to the speaker of the assembly, as a person appointing a board member. ✓ We now have the majority and minority leaders of the senate appointing senators, and the speaker and the minority leader of the assembly appointing representatives to the assembly. OK? ✓

Requires the board to appoint an executive director. ✓

→ Authorizes the ~~board~~ to establish a budget (a power of the authority). ✓

Requires the authority to develop and administer a reinsurance program in accordance with any legislation enacted (a duty of the authority). ✓

Adds authority for provisional appointment of initial members by the governor until the senate can confirm. This is patterned after s. 17.20 (2)✓(a).

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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4520/P2dn
PJK:lmk:rs

February 9, 2006

Besides making technical changes and adding an analysis, this version does the following:

Changes the treatment of the authority (from the treatment in the first version) under ss. 100.45 (1) (dm), 101.055 (2) (a), 101.177 (1) (d), and 285.59 (1) (b).

Changes the majority leader of the assembly to the speaker of the assembly, as a person appointing a board member. We now have the majority and minority leaders of the senate appointing senators, and the speaker and the minority leader of the assembly appointing representatives to the assembly. OK?

Requires the board to appoint an executive director.

Authorizes the authority to establish a budget (a power of the authority).

Requires the authority to develop and administer a reinsurance program in accordance with any legislation enacted (a duty of the authority).

Adds authority for provisional appointment of initial members by the governor until the senate can confirm. This is patterned after s. 17.20 (2) (a).

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2-13

Jim Johnston
& Michelle Pink

by phone

don't want bd to appoint exec director
until legislation (enabling
reinsurance program)





State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-4520/P2

PJK:lmk/rs

TODAY

"Kay" says

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SPR

Reber

✓

1 AN ACT *to amend* 13.172 (1), 13.48 (13) (a), 13.62 (2), 13.95 (intro.), 16.002 (2),
2 16.004 (4), 16.004 (5), 16.045 (1) (a), 16.41 (4), 16.417 (1) (a), 16.52 (7), 16.528
3 (1) (a), 16.53 (2), 16.54 (9) (a) 1., 16.70 (2), 16.765 (1), 16.765 (2), 16.765 (4),
4 16.765 (5), 16.765 (6), 16.765 (7) (intro.), 16.765 (7) (d), 16.765 (8), 16.85 (2),
5 16.865 (8), 71.26 (1) (be), 77.54 (9a) (a), 100.45 (1) (dm), 101.177 (1) (d), 230.03
6 (3) and 285.59 (1) (b); and *to create* 70.11 (41p) and chapter 238 of the statutes;
7 **relating to:** creating a Healthy Wisconsin Authority and requiring a study on
8 a catastrophic reinsurance program for health care costs.

Analysis by the Legislative Reference Bureau

This bill creates the Healthy Wisconsin Authority (HWA). An authority is a public body corporate and politic with a board of directors that is created by state law but that is not a state agency. The board of directors of HWA consists of the commissioner of insurance, or the commissioner's designee, as a nonvoting member and 13 other members who will serve four-year terms, including a majority party senator and a majority party representative to the assembly, appointed by the senate majority leader and the speaker of the assembly, respectively, and a minority party senator and a minority party representative to the assembly, appointed by the senate minority leader and the assembly minority leader, respectively. Nine other members

are nominated by the governor and appointed with the advice and consent of the senate and consist of a health care provider and representatives of a health insurance company, an employer, Wisconsin labor unions, and the public interest. The board must appoint an executive director, who may not be a member of the board.

Because HWA is not a state agency, numerous laws that apply to state agencies do not apply to HWA. However, HWA is treated like a state agency in the following respects, among others: 1) it is generally subject to the open records and open meetings laws; 2) it is treated like a state agency for purposes of the law regulating lobbying; 3) it is subject to state purchasing requirements and must use a competitive bid or proposal process whenever contracting for services; 4) it is exempt from income tax, sales and use tax, and property taxes; 5) the Code of Ethics for Public Officials and Employees covers HWA; and 6) it is subject to auditing by the Legislative Audit Bureau.

HWA is unlike a state agency in many other ways, including: 1) it may approve its own budget without going through the state budgetary process; 2) its employees are not state employees, are not included in the state system of personnel management, may not participate in the system for state retirement benefits or health insurance coverage, and are hired outside the state hiring system; and 3) it is not subject to statutory rule-making procedures, including requirements for legislative review of proposed rules. Unlike most authorities under current law, HWA may not issue bonds.

HWA must study options for implementing a program for providing reinsurance to groups and individuals in the state for catastrophic claims under group and individual health insurance policies. By November 15, 2006, HWA must submit a report to the secretary of administration with its recommendations for implementing the reinsurance program. HWA must develop and administer the reinsurance program after legislation is enacted that authorizes or requires HWA to do so.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 13.172 (1) of the statutes, as affected by 2005 Wisconsin Act 74, is
2 amended to read:

3 13.172 (1) In this section, “agency” means an office, department, agency,
4 institution of higher education, association, society, or other body in state
5 government created or authorized to be created by the constitution or any law, that
6 is entitled to expend moneys appropriated by law, including the legislature and the

1 courts, and any authority created in subch. III of ch. 149 or in ch. 231, 233, ~~or~~ 234,
2 or 238.

3 **SECTION 2.** 13.48 (13) (a) of the statutes is amended to read:

4 13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or
5 facility that is constructed for the benefit of or use of the state, any state agency,
6 board, commission or department, the University of Wisconsin Hospitals and Clinics
7 Authority, the Fox River Navigational System Authority, the Healthy Wisconsin
8 Authority, or any local professional baseball park district created under subch. III
9 of ch. 229 if the construction is undertaken by the department of administration on
10 behalf of the district, shall be in compliance with all applicable state laws, rules,
11 codes and regulations but the construction is not subject to the ordinances or
12 regulations of the municipality in which the construction takes place except zoning,
13 including without limitation because of enumeration ordinances or regulations
14 relating to materials used, permits, supervision of construction or installation,
15 payment of permit fees, or other restrictions.

16 **SECTION 3.** 13.62 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is
17 amended to read:

18 13.62 (2) "Agency" means any board, commission, department, office, society,
19 institution of higher education, council, or committee in the state government, or any
20 authority created in subch. III of ch. 149 or in ch. 231, 232, 233, 234, ~~or~~ 237, or 238,
21 except that the term does not include a council or committee of the legislature.

22 **SECTION 4.** 13.95 (intro.) of the statutes, as affected by 2005 Wisconsin Act 74,
23 is amended to read:

24 **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be
25 known as the "Legislative Fiscal Bureau" headed by a director. The fiscal bureau

1 shall be strictly nonpartisan and shall at all times observe the confidential nature
2 of the research requests received by it; however, with the prior approval of the
3 requester in each instance, the bureau may duplicate the results of its research for
4 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director's
5 designated employees shall at all times, with or without notice, have access to all
6 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the
7 Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority,
8 and the Fox River Navigational System Authority, and to any books, records, or other
9 documents maintained by such agencies or authorities and relating to their
10 expenditures, revenues, operations, and structure.

11 **SECTION 5.** 16.002 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is
12 amended to read:

13 16.002 (2) "Departments" means constitutional offices, departments, and
14 independent agencies and includes all societies, associations, and other agencies of
15 state government for which appropriations are made by law, but not including
16 authorities created in subch. III of ch. 149 and in chs. 231, 232, 233, 234, 235, and
17 237, and 238.

18 **SECTION 6.** 16.004 (4) of the statutes, as affected by 2005 Wisconsin Act 74, is
19 amended to read:

20 16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the
21 department as the secretary designates may enter into the offices of state agencies
22 and authorities created under subch. III of ch. 149 and under chs. 231, 233, 234, and
23 237, and 238, and may examine their books and accounts and any other matter that
24 in the secretary's judgment should be examined and may interrogate the agency's
25 employees publicly or privately relative thereto.

1 **SECTION 7.** 16.004 (5) of the statutes, as affected by 2005 Wisconsin Act 74, is
2 amended to read:

3 **16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE.** All state agencies and
4 authorities created under subch. III of ch. 149 and under chs. 231, 233, 234, ~~and 237,~~
5 and 238, and their officers and employees, shall cooperate with the secretary and
6 shall comply with every request of the secretary relating to his or her functions.

7 **SECTION 8.** 16.045 (1) (a) of the statutes, as affected by 2005 Wisconsin Act 74,
8 is amended to read:

9 **16.045 (1) (a) “Agency”** means an office, department, independent agency,
10 institution of higher education, association, society, or other body in state
11 government created or authorized to be created by the constitution or any law, that
12 is entitled to expend moneys appropriated by law, including the legislature and the
13 courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,
14 232, 233, 234, 235, ~~or 237,~~ or 238.

15 **SECTION 9.** 16.41 (4) of the statutes, as affected by 2005 Wisconsin Act 74, is
16 amended to read:

17 **16.41 (4)** In this section, “authority” means a body created under subch. III of
18 ch. 149 or under ch. 231, 233, 234, ~~or 237,~~ or 238.

19 **SECTION 10.** 16.417 (1) (a) of the statutes, as affected by 2005 Wisconsin Act 74,
20 is amended to read:

21 **16.417 (1) (a) “Agency”** means an office, department, independent agency,
22 institution of higher education, association, society, or other body in state
23 government created or authorized to be created by the constitution or any law, that
24 is entitled to expend moneys appropriated by law, including the legislature and the

1 courts, but not including an authority or the body created under subch. III of ch. 149
2 or under ch. 238.

3 **SECTION 11.** 16.52 (7) of the statutes, as affected by 2005 Wisconsin Act 74, is
4 amended to read:

5 16.52 (7) PETTY CASH ACCOUNT. With the approval of the secretary, each agency
6 that is authorized to maintain a contingent fund under s. 20.920 may establish a
7 petty cash account from its contingent fund. The procedure for operation and
8 maintenance of petty cash accounts and the character of expenditures therefrom
9 shall be prescribed by the secretary. In this subsection, “agency” means an office,
10 department, independent agency, institution of higher education, association,
11 society, or other body in state government created or authorized to be created by the
12 constitution or any law, that is entitled to expend moneys appropriated by law,
13 including the legislature and the courts, but not including an authority created in
14 subch. III of ch. 149 or in ch. 231, 233, 234, ~~or 237,~~ or 238.

15 **SECTION 12.** 16.528 (1) (a) of the statutes, as affected by 2005 Wisconsin Act 74,
16 is amended to read:

17 16.528 (1) (a) “Agency” means an office, department, independent agency,
18 institution of higher education, association, society, or other body in state
19 government created or authorized to be created by the constitution or any law, that
20 is entitled to expend moneys appropriated by law, including the legislature and the
21 courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,
22 233, 234, ~~or 237,~~ or 238.

23 **SECTION 13.** 16.53 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is
24 amended to read:

1 16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed
2 invoice, the agency shall notify the sender of the invoice within 10 working days after
3 it receives the invoice of the reason it is improperly completed. In this subsection,
4 “agency” means an office, department, independent agency, institution of higher
5 education, association, society, or other body in state government created or
6 authorized to be created by the constitution or any law, that is entitled to expend
7 moneys appropriated by law, including the legislature and the courts, but not
8 including an authority created in subch. III of ch. 149 or in ch. 231, 233, 234, ~~or~~ 237,
9 or 238.

10 **SECTION 14.** 16.54 (9) (a) 1. of the statutes, as affected by 2005 Wisconsin Act
11 74, is amended to read:

12 16.54 (9) (a) 1. “Agency” means an office, department, independent agency,
13 institution of higher education, association, society or other body in state
14 government created or authorized to be created by the constitution or any law, which
15 is entitled to expend moneys appropriated by law, including the legislature and the
16 courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,
17 233, 234, ~~or~~ 237, or 238.

18 **SECTION 15.** 16.70 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is
19 amended to read:

20 16.70 (2) “Authority” means a body created under subch. III of ch. 149 or under
21 ch. 231, 232, 233, 234, 235, ~~or~~ 237, or 238.

22 **SECTION 16.** 16.765 (1) of the statutes, as affected by 2005 Wisconsin Act 74,
23 is amended to read:

24 16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and
25 Clinics Authority, the Fox River Navigational System Authority, the Health

1 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the
2 Bradley Center Sports and Entertainment Corporation shall include in all contracts
3 executed by them a provision obligating the contractor not to discriminate against
4 any employee or applicant for employment because of age, race, religion, color,
5 handicap, sex, physical condition, developmental disability as defined in s. 51.01 (5),
6 sexual orientation as defined in s. 111.32 (13m), or national origin and, except with
7 respect to sexual orientation, obligating the contractor to take affirmative action to
8 ensure equal employment opportunities. ✓

9 SECTION 17. 16.765 (2) of the statutes, as affected by 2005 Wisconsin Act 74,
10 is amended to read:

11 16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and
12 Clinics Authority, the Fox River Navigational System Authority, the Health
13 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the
14 Bradley Center Sports and Entertainment Corporation shall include the following
15 provision in every contract executed by them: "In connection with the performance
16 of work under this contract, the contractor agrees not to discriminate against any
17 employee or applicant for employment because of age, race, religion, color, handicap,
18 sex, physical condition, developmental disability as defined in s. 51.01 (5), sexual
19 orientation or national origin. This provision shall include, but not be limited to, the
20 following: employment, upgrading, demotion or transfer; recruitment or recruitment
21 advertising; layoff or termination; rates of pay or other forms of compensation; and
22 selection for training, including apprenticeship. Except with respect to sexual
23 orientation, the contractor further agrees to take affirmative action to ensure equal
24 employment opportunities. The contractor agrees to post in conspicuous places,

1 available for employees and applicants for employment, notices to be provided by the
2 contracting officer setting forth the provisions of the nondiscrimination clause”.

3 **SECTION 18.** 16.765 (4) of the statutes, as affected by 2005 Wisconsin Act 74,
4 is amended to read:

5 16.765 (4) Contracting agencies, the University of Wisconsin Hospitals and
6 Clinics Authority, the Fox River Navigational System Authority, the Health
7 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the
8 Bradley Center Sports and Entertainment Corporation shall take appropriate action
9 to revise the standard government contract forms under this section.

10 **SECTION 19.** 16.765 (5) of the statutes, as affected by 2005 Wisconsin Act 74,
11 is amended to read:

12 16.765 (5) The head of each contracting agency and the boards of directors of
13 the University of Wisconsin Hospitals and Clinics Authority, the Fox River
14 Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority,
15 the Healthy Wisconsin Authority, and the Bradley Center Sports and Entertainment
16 Corporation shall be primarily responsible for obtaining compliance by any
17 contractor with the nondiscrimination and affirmative action provisions prescribed
18 by this section, according to procedures recommended by the department. The
19 department shall make recommendations to the contracting agencies and the boards
20 of directors of the University of Wisconsin Hospitals and Clinics Authority, the Fox
21 River Navigational System Authority, the Health Insurance Risk-Sharing Plan
22 Authority, the Healthy Wisconsin Authority, and the Bradley Center Sports and
23 Entertainment Corporation for improving and making more effective the
24 nondiscrimination and affirmative action provisions of contracts. The department

1 shall promulgate such rules as may be necessary for the performance of its functions
2 under this section.

3 **SECTION 20.** 16.765 (6) ✓ of the statutes, as affected by 2005 Wisconsin Act 74,
4 is amended to read:

5 16.765 (6) The department may receive complaints of alleged violations of the
6 nondiscrimination provisions of such contracts. The department shall investigate
7 and determine whether a violation of this section has occurred. The department may
8 delegate this authority to the contracting agency, the University of Wisconsin
9 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
10 Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority,
11 or the Bradley Center Sports and Entertainment Corporation for processing in
12 accordance with the department's procedures.

13 **SECTION 21.** 16.765 (7) ✓ (intro.) of the statutes, as affected by 2005 Wisconsin
14 Act 74, is amended to read:

15 16.765 (7) (intro.) When a violation of this section has been determined by the
16 department, the contracting agency, the University of Wisconsin Hospitals and
17 Clinics Authority, the Fox River Navigational System Authority, the Health
18 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, or the
19 Bradley Center Sports and Entertainment Corporation, the contracting agency, the
20 University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational
21 System Authority, the Health Insurance Risk-Sharing Plan Authority, the Healthy
22 Wisconsin Authority, or the Bradley Center Sports and Entertainment Corporation
23 shall:

24 **SECTION 22.** 16.765 (7) (d) ✓ of the statutes, as affected by 2005 Wisconsin Act 74,
25 is amended to read:

1 16.765 (7) (d) Direct the violating party to take immediate steps to prevent
2 further violations of this section and to report its corrective action to the contracting
3 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River
4 Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority,
5 the Healthy Wisconsin Authority, or the Bradley Center Sports and Entertainment
6 Corporation.

7 **SECTION 23.** 16.765 (8) of the statutes, as affected by 2005 Wisconsin Act 74,
8 is amended to read:

9 16.765 (8) If further violations of this section are committed during the term
10 of the contract, the contracting agency, the Fox River Navigational System Authority,
11 the Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin
12 Authority, or the Bradley Center Sports and Entertainment Corporation may permit
13 the violating party to complete the contract, after complying with this section, but
14 thereafter the contracting agency, the Fox River Navigational System Authority, the
15 Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority,
16 or the Bradley Center Sports and Entertainment Corporation shall request the
17 department to place the name of the party on the ineligible list for state contracts,
18 or the contracting agency, the Fox River Navigational System Authority, the Health
19 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, or the
20 Bradley Center Sports and Entertainment Corporation may terminate the contract
21 without liability for the uncompleted portion or any materials or services purchased
22 or paid for by the contracting party for use in completing the contract.

23 **SECTION 24.** 16.85 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is
24 amended to read:

1 16.85 (2) To furnish engineering, architectural, project management, and other
2 building construction services whenever requisitions therefor are presented to the
3 department by any agency. The department may deposit moneys received from the
4 provision of these services in the account under s. 20.505 (1) (kc) or in the general
5 fund as general purpose revenue — earned. In this subsection, “agency” means an
6 office, department, independent agency, institution of higher education, association,
7 society, or other body in state government created or authorized to be created by the
8 constitution or any law, which is entitled to expend moneys appropriated by law,
9 including the legislature and the courts, but not including an authority created in
10 subch. III of ch. 149 or in ch. 231, 233, 234, ~~or 237~~, or 238. ✓

11 **SECTION 25.** 16.865 (8) of the statutes, as affected by 2005 Wisconsin Act 74,
12 is amended to read:

13 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
14 proportionate share of the estimated costs attributable to programs administered by
15 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
16 may charge premiums to agencies to finance costs under this subsection and pay the
17 costs from the appropriation on an actual basis. The department shall deposit all
18 collections under this subsection in the appropriation account under s. 20.505 (2) (k).
19 Costs assessed under this subsection may include judgments, investigative and
20 adjustment fees, data processing and staff support costs, program administration
21 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
22 subsection, “agency” means an office, department, independent agency, institution
23 of higher education, association, society, or other body in state government created
24 or authorized to be created by the constitution or any law, that is entitled to expend
25 moneys appropriated by law, including the legislature and the courts, but not

1 including an authority created in subch. III of ch. 149 or in ch. 231, 232, 233, 234, 235,
2 ~~or 237, or 238.~~

3 **SECTION 26.** 70.11 (41p) of the statutes is created to read:

4 70.11 (41p) HEALTHY WISCONSIN AUTHORITY. All property owned by the Healthy
5 Wisconsin Authority, provided that use of the property is primarily related to the
6 purposes of the authority.

7 **SECTION 27.** 71.26 (1) (be) of the statutes, as affected by 2005 Wisconsin Act 74,
8 is amended to read:

9 71.26 (1) (be) *Certain authorities.* Income of the University of Wisconsin
10 Hospitals and Clinics Authority, of the Health Insurance Risk-Sharing Plan
11 Authority, of the Healthy Wisconsin Authority, and of the Fox River Navigational
12 System Authority.

13 **SECTION 28.** 77.54 (9a) (a) of the statutes, as affected by 2005 Wisconsin Act 74,
14 is amended to read:

15 77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin
16 Hospitals and Clinics Authority, the Health Insurance Risk-Sharing Plan Authority,
17 the Healthy Wisconsin Authority, and the Fox River Navigational System Authority.

18 **SECTION 29.** 100.45 (1) (dm) of the statutes is amended to read:

19 100.45 (1) (dm) “State agency” means any office, department, agency,
20 institution of higher education, association, society or other body in state
21 government created or authorized to be created by the constitution or any law which
22 is entitled to expend moneys appropriated by law, including the legislature and the
23 courts, the Wisconsin Housing and Economic Development Authority, the Bradley
24 Center Sports and Entertainment Corporation, the University of Wisconsin
25 Hospitals and Clinics Authority, the Wisconsin Health and Educational Facilities

1 Authority, and the Fox River Navigational System Authority, and the Healthy
2 Wisconsin Authority.

3 SECTION 30. 101.177 (1) (d) of the statutes, as affected by 2005 Wisconsin Act
4 74, is amended to read:

5 101.177 (1) (d) “State agency” means any office, department, agency,
6 institution of higher education, association, society, or other body in state
7 government created or authorized to be created by the constitution or any law, that
8 is entitled to expend moneys appropriated by law, including the legislature and the
9 courts, the Wisconsin Housing and Economic Development Authority, the Bradley
10 Center Sports and Entertainment Corporation, the University of Wisconsin
11 Hospitals and Clinics Authority, and the Wisconsin Health and Educational
12 Facilities Authority, and the Healthy Wisconsin Authority, but excluding the Health
13 Insurance Risk-Sharing Plan Authority.

14 SECTION 31. 230.03 (3) of the statutes, as affected by 2005 Wisconsin Act 74,
15 is amended to read:

16 230.03 (3) “Agency” means any board, commission, committee, council, or
17 department in state government or a unit thereof created by the constitution or
18 statutes if such board, commission, committee, council, department, unit, or the
19 head thereof, is authorized to appoint subordinate staff by the constitution or
20 statute, except a legislative or judicial board, commission, committee, council,
21 department, or unit thereof or an authority created under subch. III of ch. 149 or
22 under ch. 231, 232, 233, 234, 235, ~~or 237~~, or 238. “Agency” does not mean any local
23 unit of government or body within one or more local units of government that is
24 created by law or by action of one or more local units of government.

25 SECTION 32. Chapter 238 of the statutes is created to read:

CHAPTER 238**HEALTHY WISCONSIN AUTHORITY**

238.01 Definitions. In this chapter:

(1) “Authority” means the Healthy Wisconsin Authority.

(2) “Board” means the board of directors of the authority.

238.05 Creation and organization of authority. (1) There is created a public body corporate and politic to be known as the “Healthy Wisconsin Authority.” The board of directors of the authority shall consist of the commissioner of insurance, or his or her designee, as a nonvoting member, and the following 13 members, who shall serve 4-year terms:

(a) One majority party senator appointed by the senate majority leader.

(b) One minority party senator appointed by the senate minority leader.

(c) One majority party representative to the assembly appointed by the speaker of the assembly.

(d) One minority party representative to the assembly appointed by the assembly minority leader.

(e) Nine nominees of the governor, appointed with the advice and consent of the senate, consisting of all of the following:

1. One health care provider.

2. One representative of a Wisconsin health insurance company.

3. One representative of a Wisconsin employer.

4. One representative of Wisconsin labor unions.

5. Five other members who represent the public interest.

(2) Each member of the board shall hold office until a successor is appointed and qualified unless the member vacates or is removed from his or her office. A

1 member who serves as a result of holding another office or position vacates his or her
2 office as a member when he or she vacates the other office or position. A member who
3 ceases to qualify for office vacates his or her office. A vacancy on the board shall be
4 filled in the same manner as the original appointment to the board for the remainder
5 of the unexpired term, if any.

6 (3) Annually, the governor shall appoint one member as chairperson, and the
7 members of the board may elect other officers as they consider appropriate.

8 (4) The board shall appoint an executive director ~~who~~ ^{→ insert 16-8} shall not be a member
9 of the board and ~~who~~ ^{se} shall serve at the pleasure of the board. The authority may
10 delegate by resolution to one or more of its members or its executive director any
11 powers and duties that it considers proper. The executive director shall receive such
12 compensation as may be determined by the board. The executive director or other
13 person designated by resolution of the board shall keep a record of the proceedings
14 of the authority and shall be custodian of all books, documents, and papers filed with
15 the authority, the minute book or journal of the authority, and its official seal. The
16 executive director or other person may cause copies to be made of all minutes and
17 other records and documents of the authority and may give certificates under the
18 official seal of the authority to the effect that such copies are true copies, and all
19 persons dealing with the authority may rely upon such certificates.

20 (5) A majority of the members of the board constitutes a quorum for the purpose
21 of conducting its business and exercising its powers and for all other purposes,
22 notwithstanding the existence of any vacancies. Action may be taken by the board
23 upon a vote of a majority of the members present. Meetings of the members of the
24 board may be held anywhere within or without the state.

1 (6) A member of the board may not be compensated for his or her services but
2 shall be reimbursed for actual and necessary expenses incurred in the performance
3 of his or her duties, including travel expenses, subject to uniform travel schedule
4 amounts approved under s. 20.916 (8).

5 (7) No cause of action may arise against and no civil liability may be imposed
6 upon a member or executive director of the authority for any act or omission in the
7 performance of his or her powers and duties under this chapter, unless the person
8 asserting liability proves that the act or omission constitutes willful misconduct.

9 **238.10 Powers of authority.** (1) Except as restricted under sub. (2), the
10 authority shall have all the powers necessary or convenient to carry out the purposes
11 and provisions of this chapter. In addition to all other powers granted by this chapter,
12 the authority may:

13 (a) Adopt, amend, and repeal bylaws and policies and procedures for the
14 regulation of its affairs and the conduct of its business.

15 (b) Have a seal and alter the seal at pleasure.

16 (c) Maintain an office.

17 (d) Sue and be sued.

18 (e) Accept gifts, grants, loans, or other contributions from private or public
19 sources.

20 (f) Establish the authority's annual budget and monitor the fiscal management
21 of the authority.

22 (g) Execute contracts and other instruments, including contracts for any
23 professional services required for the authority.

24 (h) Employ any officers, agents, and employees that it may require and
25 determine their qualifications and compensation.

1 (i) Procure liability insurance.

2 (2) The authority may not issue bonds.

3 **238.15 Duties of authority.** In addition to all other duties imposed under this
4 chapter, the authority shall do all of the following:

5 (1) (a) Study options for implementing a program to provide reinsurance to groups
6 and individuals in this state for catastrophic claims under group and individual
7 health insurance policies.

8 (2) (b) No later than November 15, 2006, submit to the secretary of administration
9 a report with its recommendations for implementing a reinsurance program
10 described in par. (a).

11 (3) (c) Develop and administer a reinsurance program in accordance with any
12 legislation enacted that requires or authorizes the authority to do so.

13 **SECTION 33.** 285.59 (1) (b) of the statutes is amended to read:

14 285.59 (1) (b) "State agency" means any office, department, agency, institution
15 of higher education, association, society, or other body in state government created
16 or authorized to be created by the constitution or any law which that is entitled to
17 expend moneys appropriated by law, including the legislature and the courts, the
18 Wisconsin Housing and Economic Development Authority, the Bradley Center
19 Sports and Entertainment Corporation, the University of Wisconsin Hospitals and
20 Clinics Authority, the Fox River Navigational System Authority, and the Wisconsin
21 Health and Educational Facilities Authority, and the Healthy Wisconsin Authority.

22 **SECTION 34. Nonstatutory provisions.**

23 (1) INITIAL TERMS OF BOARD MEMBERS. Notwithstanding the lengths of terms of
24 the members of the board of directors of the Healthy Wisconsin Authority specified

1 in section 238.05 (1) (intro.) of the statutes, as created by this act, the initial members
2 shall be appointed for the following terms:

3 (a) The 4 members specified under section 238.05 (1) (a) to (d) of the statutes,
4 as created by this act, for terms that expire on July 1, 2008.

5 (b) Four members specified under section 238.05 (1) (e) of the statutes, as
6 created by this act, for terms that expire on July 1, 2009.

7 (c) Five members specified under section 238.05 (1) (e) of the statutes, as
8 created by this act, for terms that expire on July 1, 2010.

9 (2) PROVISIONAL APPOINTMENTS OF BOARD MEMBERS. Notwithstanding the
10 requirement for senate confirmation of the appointment of the members of the board
11 of directors of the Healthy Wisconsin Authority under section 238.05 (1) (e) of the
12 statutes, as created by this act, the initial members may be provisionally appointed
13 by the governor, subject to confirmation by the senate. Any such appointment shall
14 be in full force until acted upon by the senate, and when confirmed by the senate shall
15 continue for the remainder of the term, or until a successor is chosen and qualifies.
16 A provisional appointee may exercise all of the powers and duties of the office to
17 which such person is appointed during the time in which the appointee qualifies.
18 Any appointment made under this subsection that is withdrawn or rejected by the
19 senate shall lapse. When a provisional appointment lapses, a vacancy occurs.
20 Whenever a new legislature is organized, any appointments then pending before the
21 senate shall be referred by the president to the appropriate standing committee of
22 the newly organized senate.

23 (END)

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LRB-4520/lins
PJK:lmk:rs

INSERT 16-8

1 ^{NOA}, but only after legislation specified in s. 238.15 (3) is enacted. The executive
2 director

(END OF INSERT 16-8)

Northrop, Lori

From: Johnston, James - DOA [James.Johnston@Wisconsin.gov]
Sent: Friday, March 31, 2006 2:02 PM
To: Northrop, Lori
Cc: Casper, Tim - Office of Governor Jim Doyle; Henderson, Patrick NMN; Schmiedicke, David - DOA
Subject: RE: Draft review: LRB 05-4520/1 Topic: Create authority for reinsurance program

Please jacket this as an assembly bill.

Thanks,
Jim

From: Northrop, Lori [mailto:Lori.Northrop@legis.state.wi.us]
Sent: Tuesday, February 28, 2006 12:13 PM
To: Johnston, James
Subject: Draft review: LRB 05-4520/1 Topic: Create authority for reinsurance program

Lori Northrop
Program Assistant
State of WI Legislative Reference Bureau
1 East Main Suite 200
Madison, WI, 53703
Phone 266-3561 fax 264-6948

State of Wisconsin - Legislative Reference Bureau

One East Main Street - Suite 200 - Madison

The attached draft was prepared at your request. Please review it carefully to ensure that it satisfies your intent. If you have any questions concerning the draft or would like to have it redrafted, please contact Pamela J. Kahler, Senior Legislative Attorney, at (608) 266-2682, at pam.kahler@legis.state.wi.us, or at One East Main Street, Suite 200.

If you would like to jacket the draft for introduction, please click on the appropriate button below. Please select only one button. If you wish to introduce this draft in both houses please contact the drafting attorney to have a companion bill drafted.

Jacket for the
ASSEMBLY

Jacket for the
SENATE